



Resolution # HSRA 14-12

California High-Speed Train Construction in San Joaquin Valley

Approval of Memorandum of Understanding with San Joaquin Valley Air Pollution Control District (District) for Construction Emissions Offsets for High-Speed Train (HST) Construction in San Joaquin Valley

WHEREAS, District is an air pollution control district formed by the counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare, and the Valley portion of Kern, pursuant to California Health and Safety Code section 40150, et seq.; and

WHEREAS, District is responsible for developing and implementing air quality control measures within the District Boundaries to achieve Federal Clean Air Act and state standards; and

WHEREAS, despite the best efforts of District, air quality within District Boundaries remains impaired such that the San Joaquin Valley Air Basin is not in attainment of federal Clean Air Act standards for ozone and its precursors NO_x and VOCs (extreme nonattainment) and PM_{2.5} ("Criteria Pollutants") and is in attainment/maintenance status for PM₁₀; and

WHEREAS, emissions of Criteria Pollutants from the Authority's planned high-speed rail construction within District Boundaries, notwithstanding Authority efforts to require a clean construction fleet and notwithstanding that HST operation will greatly improve air quality within District Boundaries, could exacerbate that non-attainment status and could jeopardize that attainment/maintenance status; and

WHEREAS, the District has developed Incentive Programs that involve the District using monies (such as federal and state grant funds and project-proponent-provided monies) to fund (usually on a percentage basis) the purchase and use by third parties of newer equipment that emits fewer Criteria Pollutants to replace older, less-clean-burning equipment (such as farm tractors), and the resultant emissions reductions then get credited to the project proponent (in the case of proponent-provided funds); and

WHEREAS, the District's Incentive Programs are regularly audited by independent outside agencies including professional accountancy corporations on behalf of the federal government,

the California Air Resources Board, the California Department of Finance and the California Bureau of State Audits; and

WHEREAS, the District has determined that with appropriate funding from the Authority, the District through its Incentive Programs can source, secure and certify Criteria Pollutant offsets to achieve a net zero result for Criteria Pollutants for Authority HST construction within District Boundaries, to be implemented in a series of detailed follow-on agreements called Voluntary Emissions Reduction Agreements (VERA), as described in the attached draft Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED by the California High-Speed Rail Authority, that it takes the following action:

- (a) The Board hereby approves the attached draft Memorandum of Understanding (MOU).
- (b) The CEO is hereby authorized to execute an MOU substantially in the form as the attached draft MOU.
- (c) The CEO is hereby authorized to execute VERAs for HST construction within District Boundaries up to a cumulative amount of \$35 million (any additional amount will require further Board approval).
- (d) Notwithstanding existing limits on the CEO's delegated authority to execute agreements, the CEO is hereby authorized to execute any individual VERA covering HST construction within District Boundaries, in any amount (including above \$5 million), provided that the aggregate amount of all executed VERAs does not exceed \$35 million.

CERTIFICATION

The undersigned Chief Executive Officer of the California High-Speed Rail Authority, or his designee, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California High-Speed Rail Authority held on May 6 and 7, 2014.

Dated:

Jeff Morales

Chief Executive Officer

Vote: 7 – 0

Date: May 7, 2014

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